

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7064

BILL NUMBER: HB 1690

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Legal Settlement.

FIRST AUTHOR: Rep. Cheney

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that if a contributing reason a student resides with a legal guardian or custodian is to reside in a particular school corporation, the student's legal settlement remains in the school corporation in which the student's parent resides.

The bill requires the State Superintendent of Public Instruction to prepare a manual to assist individuals in establishing legal guardianships over students.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill could have an unknown impact on the school formula calculations. The current school formula uses the ADM of a school corporation in determining state funding. There is no current school formula for CY 2008 or years after. If a version of the current school formula continued, a change in where a students is counted could increase or decrease the state expenditures depending on where the student is counted.

The Department of Education could have some additional costs associated with preparing a manual to assist individuals in establishing legal guardianships over students. The additional cost would be a one time cost and would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could increase a schools expenditures or revenue depending on how the student is counted. Students that have legal settlement in another school corporation have to

receive transfer tuition from the school where the student has legal settlement. Schools might have to pay increased transfer tuition costs and some school may receive increase revenue in the form of transfer tuition.

Explanation of Local Revenues: *See Explanation of Local Expenditures.*

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources:

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